

## Special Edition

<i>Introductory Message</i>	<i>1</i>
<i>2005 Agent Seminars</i>	<i>1</i>
<i>Q &amp; A</i>	<i>2</i>
<i>LTC Legislation</i>	<i>3</i>
<i>Seminar Packets</i>	<i>4</i>
<i>Seminar Presentations</i>	<i>4</i>



**Brenda  
Bufford**  
*Chief  
California  
Partnership  
for LTC*

# CALIFORNIA PARTNERSHIP NEWS

A PROGRAM OF THE CALIFORNIA DEPARTMENT OF HEALTH SERVICES

## Agent Seminars 2005 A Success Story

I would like to personally THANK each of the 265 agents/brokers/others who registered for our May 2005 Agent Training Seminars in Concord and Garden Grove. Your enthusiasm and willingness to participate during this hands-on seminar made it an enjoyable experience for all of us at the Partnership.

We enjoyed the opportunity to meet many of you for the first time and to renew old acquaintances. A variety of excellent questions were brought up during the seminars and we are providing that information in the Q&A feature on page 2.

This Special Edition Partnership News provides a summary of the seminars. Thanks again for your continued support.

The California Partnership for Long-Term Care is able to remain successful in achieving its mission thanks to the continued advocacy of the agents and brokers who tirelessly support the Partnership.

This support was evident at our 2005 Agent Seminars. As Brenda mentioned, we had over 260 agents/brokers/others in attendance. Starting off with the Medi-Cal Basics class, about 75% of the group arrived early to hear the latest on Medi-Cal rules and the differences in the treatment of income and assets for single people and married couples.

The morning session, titled the Partnership Continuum, followed a couple (Bill & Jane) through the complete Partnership policy process, including:

- the purchase of a policy and the factors considered;
- qualifying for benefits and the role that care management plays in this process;
- Medi-Cal Eligibility;
- and Medi-Cal Estate Recovery.

Audience participation was required throughout this session. Using worksheets and the asset, income, and other tangible information about Bill and Jane, the audience walked through the purchase of a policy; qualified Jane for policy benefits; made Jane's eligibility determination; and finally determined the amount to be collected during the Estate Recovery process.

During the afternoon sessions, the attendees learned about the results of the latest Field Poll, which indicated that efforts by the Partnership and other orga-

# SEMINAR Q&A

## ***Reverse Mortgages***

**Q: How does Medi-Cal treat the monthly payment generated by a reverse mortgage?**

**A:** At first glance, it would seem logical that the amount received would be included in the monthly Share of Cost computation since the reverse mortgage is generating an income stream, however, that assumption is not correct.

For the purposes of Medi-Cal eligibility, the payment received from a reverse mortgage is not considered income, but instead is ***considered property in the month received.***

A reverse mortgage payment is not treated as income, but properly in the month received, because a reverse mortgage is a conversion of an exempt asset, equity in one's home, to a non-exempt asset: cash.

The property received would be subject to the monthly asset limits, \$2,000 if single and \$95,100 if living in the community and your spouse is in a facility. Any amount over and above these figures would first need to be spent down prior to being eligible to receive services during that month.

## ***Care Management/ Care Coordination***

**Q: What is meant by care management/care coordination?**

**A:** Partnership regulation, §58005 states: "Care Management/Care Coordination" includes, but is not limited to the following:

- (a) the performance of a comprehensive individualized face-to-face assessment conducted in the client's place of residence;
- (b) the development of a Plan of Care;
- (c) the performance of a comprehensive, individualized reassessment at least every six months;
- (d) when desired by the individual and determined necessary by the Care Management Provider Agency, coordination of appropriate services and ongoing monitoring of the delivery of such services; and
- (e) the development of a discharge plan when the Care Management Provider Agency services, or the Policy benefits, are about to be terminated and if further care is needed. If the insured is immediately eligible for Medi-Cal, the Care Management Provider Agency shall prepare a transition plan.

Care Management/Care Coordination takes an all-inclusive look at a person's total needs and resources, and links the person to a full range of appropriate services using all available funding sources.

## ***Domestic Partners***

**Q: How are domestic partner arrangements treated for Estate Recovery?**

**A:** If the Domestic Partners have filed a "Declaration of Domestic Partnership" with the Secretary of State's office, the Estate Recovery Unit would treat this as a "Surviving Spouse" case and no claim would be presented until the death of the Surviving Partner. Without the "Declaration of Domestic Partnership" the Estate Recovery Unit would present a claim upon the death of the first partner. Heirs to the property would be given an opportunity for a Hardship Waiver. At the very least, alternate payment arrangements, secured with a lien, may be negotiated with the heir(s) to the estate property so that the surviving partner is not displaced.

We will report on the treatment of domestic partnerships for Medi-Cal Eligibility in a future publication.

# New LTC Tax Credit Bill

The Association of Health Insurance Advisors (AHIA), the health insurance division of the National Association of Insurance and Financial Advisors (NAIFA), applauds Representatives Nancy Johnson (R-CT) and Earl Pomeroy (D-ND) for their introduction of bipartisan comprehensive long-term care legislation in the 109th Congress.

AHIA is pleased to endorse this comprehensive approach to providing long-term care security" states AHIA President-elect Debra C. Newman. "H.R. 2682 represents meaningful tax relief and is an important incentive for Americans to take greater personal responsibility for their long-term care needs" continues Newman.

The proposal would give individuals an above-the-line tax deduction for premiums paid for a qualified LTC insurance policy. "This incentive to transfer the risk of long-term care to insurance is needed. All too often the devastating costs associated with long-term care place undo burdens on families. LTC insurance offers the best way to cope with the financial drain of care" states Newman.

The bill would also allow employers to include the deduction provision for LTC policies in cafeteria plans and in flexible spending accounts. "Employees are used to receiving their benefits in the workplace. This provision assists employees in obtaining the cover-

age they need in a familiar setting," adds Newman.

For those with current long-term care needs, the bill would give individuals or their caregivers a \$3000 tax credit to help cover their LTC expenses. "Certainly those currently in need and their caregivers are deserving of tax relief" declares Newman. "AHIA looks forward to working with Congress to alleviate the burden on public programs and American families by enacting H.R. 2682" concludes Newman.

The mission of the Association of Health Insurance Advisors (AHIA) is to advocate for a positive legislative and regulatory environment, enhance business and professional skills, and promote the ethical conduct of our members.

AHIA members are NAIFA Federation members actively involved in the sale of group and individual health related products including disability, long-term care, critical illness, Medicare supplement insurance and work site products.

Founded in 1890 as the National Association of Life Underwriters, NAIFA's umbrella of organizations includes the Association for Advanced Life Underwriting (AALU), the Association of Health Insurance Advisors (AHIA) and GAMA International.

Reprinted from an article on InsuranceBroadcasting.com.

*Cont'd from page 1 - Seminar 2005*

nizations have begun to change how Californians view long-term care. For example, fewer people believe the government will eventually create a program which will pay for the cost of long-term care or that there are not any good long-term care insurance policies that will completely meet their needs.

This session was followed by a presentation of the interactive CD (currently in development) that can be used in the marketing of LTCI. This CD includes care costs by area, a self insuring explanation and calculator, and information about families starting the conversation on LTC.

Another session highlighted the Partnership policy sales maps (available on our website) that show policy sales by zip code in an effort to assist agents in identifying those zip codes that have been under-served. Information available on the US Census website ([www.census.gov](http://www.census.gov)) was also described during this session.

The seminars closed with a session on the 100-days of Medicare. The goal was to make agents more comfortable educating clients that Medicare should not be relied on as a source to pay their LTC costs during a 90-day elimination period.

**T**hanks again and see you in 2006.

# CALIFORNIA PARTNERSHIP NEWS

A PROGRAM OF THE CALIFORNIA DEPARTMENT OF HEALTH SERVICES



CALIFORNIA DEPARTMENT  
OF HEALTH SERVICES

## PARTNERSHIP STAFF:

**Carol Freels**, Chief - Office of LTC  
**Brenda Bufford**, Chief - CPLTC  
**Raul Moreno**, Research Specialist  
**Keith Parsley**, Analyst  
**Jack Sanders**, Analyst  
**Kim Bell**, Office Support

## For more information:

California Partnership for Long-Term Care  
MS 4100 PO Box 997413  
Sacramento, CA 95899-7413  
(916) 552-8990  
(916) 552-8989 Fax  
[www.dhs.ca.gov/cpltc](http://www.dhs.ca.gov/cpltc)

## PARTICIPATING INSURERS:

Bankers Life and Casualty  
(888) 2828-BLC

Genworth (AKA GE Financial Assurance)  
(800) 354-6896

John Hancock Life Insurance Company  
(800) 377-7311

MetLife  
(888) 799-0902

New York Life Insurance  
(800) 224-4582

CalPERS Long-Term Care Program  
(800) 205-2020

*Editor: Keith Parsley*

## Seminar Packets & Presentations

For the first time, we are making PDF versions of some of the presentations given at the agent training seminars available on our website. If you are interested in viewing a copy, you can access them at the Partnership's home page: [www.dhs.ca.gov/cpltc](http://www.dhs.ca.gov/cpltc). These presentations are not intended for consumer presentations, but instead to continue to elevate your knowledge of the Partnership program and our ongoing objectives.

Extra seminar packets are available! If you paid for the seminar, but were unable to attend, we will send you your packet free of charge. For those of you who didn't register, but would like a copy of the seminar material, a \$5 shipping and handling fee will apply. If you are interested, send a check made payable to CPLTC and indicate Seminar Packet in the memo line to the address located in the left hand column.